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Producers 88-198(R) Texas Paid-Up (2/93)

THIS AGREEMENT made this

## OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

December

08

Kurt Reineck and wife, Holly Reineck	, ,	, , , , , , , , , , , , , , , , ,
	, Lessor (whether one or more) whose address is	
13808 Allison Court, Burleson, TX 76028		
and	Devon Energy Production Company, L.P. , Lessee; whose	address is
P.O. Box 450, Decatur, Texas 76234	; WITNESSETH:	
exclusively unto Lessee the lands subject hereto for the purpose of investigating, and their respective constituent elements) and all other minerals, (whether or not surveys, injecting gas, water and other fluids and air into subsurface strata, estabuilding roads, tanks, power stations, telephone lines and other structures the	f the royalties herein provided, and of the agreement of Lessee herein contained, hereby grar, exploring, prospecting, drilling and mining for and producing oil, gas (including all gases, lict similar to those mentioned) and the exclusive right to conduct exploration, geologic and geolablishing and utilizing facilities for the disposition of salt water, laying pipelines, housing thereon to produce, save, take care of, treat, transport, and own said products; which lat described as follows:	quid hydrocarbons physical tests and its employees and
0.406 acres of land, more or less, situated in the 3, Block 16, Thomas Crossing, an addition to the thereof recorded in Cabinet A, Slide 4473 & 4474	Abner Lee Survey, A-931, Tarrant County, Texas, being a he City of Fort Worth, Tarrant County, Texas according to	the plat
surveys, although not included within the boundaries of the land particularly des	ent or contiguous to the land particularly described above, whether the same be in said sur- escribed above. The land covered by this lease shall be hereinafter referred to as said Land. accurate description of said Land and such amendment shall include words of present lease a	Lessor agrees to
lease shall be for a term of five (5) years from this date (called "primary term") at land with which said Land is pooled hereunder. The word "operations" as used drilling, testing, completing, reworking, recompleting, deepening, plugging back other actions conducted on said lands associated with or related thereto.  3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells oil produced and saved from said Land; Lessee may from time to time purchase a date of purchase or Lessee may sell any royalty oil in its possession and pay Less the cost of treating the oil to render it marketable pipeline oil or, if there is no avail gases, processed liquid hydrocarbons associated therewith and any other respused off the premises or for the extraction of gasoline or other product therefrom such sate, it being understood that Lessor's interest shall bear one-eighth of at the wells; (c) on all other minerals mined and marketed, one-tenth either in kir participating royalty interests, in said Land, whether or not owned by Lessor and set forth herein. Lessee shall have free use of oil, gas and water from said Lan injection and secondary recovery operations, and the royalty on oil and gas shall be 4. If at the expiration of the primary term or at any time or times after the or land or leases pooled therewith but oil or gas is not being sold or used and to (unless released by the Lessee), and it shall nevertheless be considered that oil and	the to the commencement, prosecution or cessation of operations and/or production at any ting and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted herein shall include but not be limited to any or the following; preparing drillste location as a or repairing of a well in search for or in an endeavor to obtain production of oil, gas or other for into the pipeline to which the wells may be connected, one-eighth of the proceeds receive any royalty oil in its possession, paying the market price therefor prevailing for the field where sor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of all trucking charges; (b) prective constituent elements, casinghead gas or other gaseous substance, produced from said onn, the market value at the well of one-eighth of the gas so sold or used provided the mark e well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net of the cost of all compression, treating, dehydrating and transporting costs incurred in marketing or value at the well or mine, at Lessee's election. Any royalty interests, including, without divide the royalty after the provided by Lessee pursuant to the provisions hereof, shall be paid, except water from Lessor's wells, in all operations which Lessee may conduct hereunde be computed after deducting any so used.  The primary term herein, there is a well or wells capable of producing oil or gas in paying quant this lease is not then being maintained by production, operations or otherwise, this lease shador gas is being produced from said Land within the meaning of paragraph 2 herein. Howe	me hereunder, this ed on said Land or nd/or access road, minerals and any ed from the sale of the produced on the bear one-eighth of the name of the sale of the sale of the sale of the produced on the bear one-eighth of the name of the sale of the produced on the bear one-eighth of the produced on the the
Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the		Bank at
hereunder regardless of changes in ownership of said land or shut-in royalty pay provided however, in the event said well is located on a unit comprised of all or a each acre of said Land included in such unit on which said shut-in well is located, fail or refuse to accept such payment, Lessee shall re-tender such payment within to receive such payment or tenders. Such shut-in royalty payment shall be due completion of such well, or (c) the date on which oil or gas ceases to be sold or us (e) the date the lease ceases to be otherwise maintained, whichever be the later damanner and upon like payments or tenders on or before the next ensuing annive periods of one (1) year each until such time as this lease is maintained by production yayment shall not be required or, if a shut-in royalty payment is tendered payment regardless of how many times actual production may be commenced a tender any such sum as shut-in royalty shall render Lessee liable for the amount of	nd its successors are Lessors agent and shall continue as the depository bank for all shut-in ryments) a sum determined by multiplying one dollar (\$1.00) per acre for each acre then cown a portion of said Land and other land or leases a sum determined by multiplying one dollar (\$1.00) and the land or leases a sum determined by multiplying one dollar (\$1.10) for any successor bank) should fail, liquidate, or be succeeded by another bank a thirty (30) days following receipt from Lessor of a proper recordable instrument naming anote on or before the expiration of ninety (90) days after (a) the expiration of the primary term, steed, or (d) the date this lease is included in a unit on which a well has been previously completed. It is understood and agreed that no shut-in royalty payments shall be due during the prince versary of the due date for said payment, the Lessee shall continue to pay such shut-in royaluction or operations. However, if actual production commences within the applicable 90 day, in additional shut-in payment will be due until the next ensuing anniversary of the due date and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence croise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than	ered by this lease, \$1.00) per acre for c or for any reason or (b) the date of eted and shut-in or mary term. In like titly for successive by period, a shut-in or timely pay or to produce, utilize

provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than the specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lesseor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments make no such provision, then such unit shall become effective on the date such instruments are so filed for in said instrument or instruments make no such provision, then such unit shall become effectiv

ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein

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such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty

ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the anotated almost revisit that's comprising such difficulties are a based of a formula derived from parameters unfized by flessee and interprovated in a limitation agreement sproved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or

- strata of the leased premises which remains in force and on which Lessee continues to conduct operations.

  7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or other operations within no cessation of operations of more than ninety (90) consecutive days, and if such operations or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith here are no operations on said Land or on acreage pooled therewith in metry (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land or operations on said well on said more that ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all product the leaved premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacetion from said within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing
- 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.
- The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

  10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or teversion of the estate created hereby, nor
- be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder; but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an
- acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

  11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part; and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalities accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land
- less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

  12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

  (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence
- wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.
- (e) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall

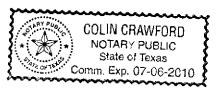
Rule or Regulation 13. This lea	n. ase states the entire contract t	between the parties, and no representation or p	romise, verbal or writ	nce is prevented by, or if such failure is the result of, any such Laten, on behalf of either party shall be binding unless contained hybriding or not executed by all persons above named as "Lessor".	
INWI	TNESS WHEREOF, this inso	ument is executed on the date first above writte	en.	Milul	
Kurt Reineck		LESSOR	Holly Reineck		LESSOR
		LESSOR			LESSOR
STATE OF	TEXAS	\$			
COUNTY OF	TARRANT	§			
This instrument wa	as acknowledged before me o	n 12/18/2008	by	Kurt Reineck and wife, Holly Reineck	
			Notary Signature:	P) De	—·
			Printed Name:	Colin Crawford	
<b>&gt;</b>	**********				

Notary Public, State of

My Commission Expires:

TEXAS

7/6/2010



## EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 18<sup>th</sup> day of December, 2008 by and between Kurt Reineck and wife, Holly Reineck, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "one-fourth" (1/4th).
- 2. Notwithstanding any other section of this lease, Lessor retains, and Lessee waives, any and all rights whatsoever of access to or upon the surface of the leased premises for the exploration, development, production or transportation of the oil or gas thereunder. However this waiver of surface rights shall not be construed as the waiver of the right of Lessee to exploit, explore for, develop or produce such oil or gas with wells drilled on adjacent lands or land pooled therewith, including, but not limited to, directional or horizontal wells bottomed beneath or drilled through any part of the leased premises (other than the surface).
- 3. This lease covers only oil, gas, and other related hydrocarbons and constituent elements (including sulphur) which may be produced with oil and gas, and reference to "other minerals" is hereby deleted. This lease shall not cover coal, lignite, iron ore or uranium.
- 4. Notwithstanding anything contained in this lease to the contrary, this lease shall be for a primary term two (2) years from the effective date of this lease.
- 5. It is agreed that no trucks or heavy equipment shall access any streets, roadways or cart paths, whether currently existing or constructed in the future, within the Thomas Crossing Subdivision in conjunction with Lessee's operations hereunder, including, but not limited to, Thomas Crossing Drive, Allison Court, Old Oaks Drive, Old Oaks Court, Valderama Court, Spanish Bay Drive, W. Riviera Drive, E. Riviera Drive, Merion Drive, Southern Oaks Drive, Southern Oaks Court and Latham Court.

SIGNED FOR IDENTIFICATION:

Kurt Reineck



## **DEVON ENERGY PRODUCTION CO** P O BOX 450

DECATUR

TX 76234

Submitter: DEVON ENERGY PRODUCTION CO

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

01/15/2009 10:18 AM

4 PGS

Instrumen##:

D209010875

LSE

\$24.00

By: \_\_\_\_\_

D209010875

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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